

# **Review of CDBG Funding By Type of Project and Fund Allocation**

## Background

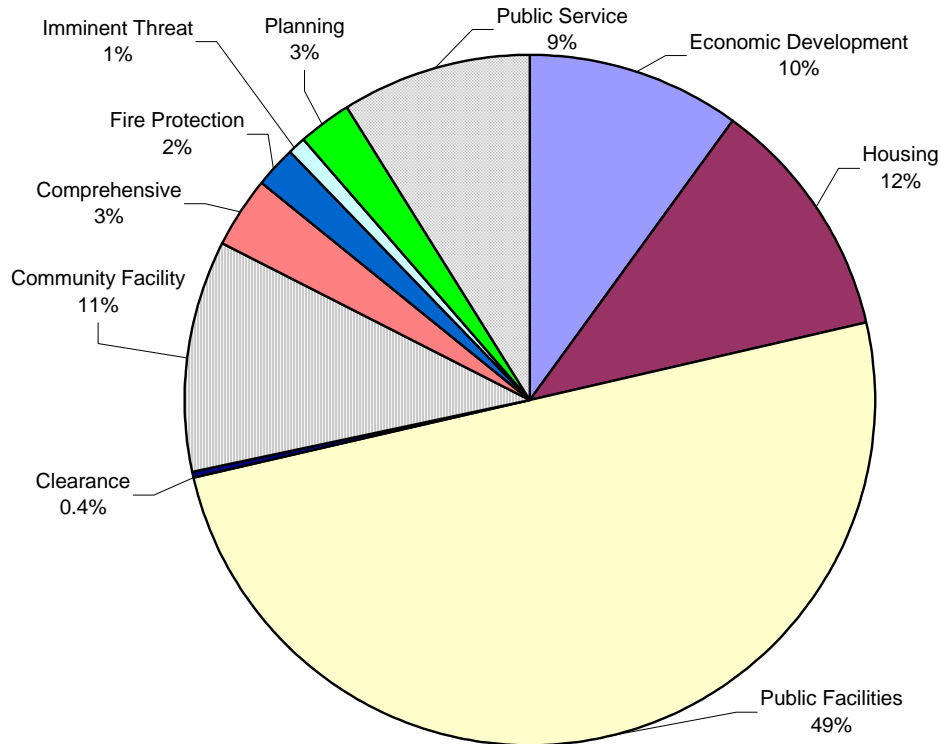
The WA State Community Development Block Grant (CDBG) Program seeks to provide flexible grant and technical assistance using methods of distribution that ensure funds are available to respond to the wide variety of emerging community development needs identified by local governments. The types of projects funded are largely dependent upon the projects prioritized by the local government applicants as meeting the needs of the low- and moderate-income persons in their communities.

The CDBG funds are allocated into seven funds or programs, each of which uses a different method of distribution:

- The Community Investment Fund distributes resources in support of locally identified projects that have emerged through the Washington Community Economic Revitalization Team priority process (WA-CERT), or the Federal Rural Enterprise Initiative. Funded projects provide benefits to low- and moderate-income individuals through projects that are also significant on a sub-state, regional or countywide basis in terms of economic diversification and community stability. Project selection is made on a funds available basis, using a collaborative process that includes federal, state, and local funding sources. Award decisions require the review and approval of CTED's Resource Team.
- The General Purpose Grant program distributes funds to eligible jurisdictions following an annual statewide competitive application process. It funds projects in the following categories: community facility, comprehensive, economic development, housing, or public facility.
- Housing Enhancement Grants are companion funds to the Housing Trust Fund (HTF) activities that are essential to a project's success, are not eligible for HTF, and fill a financial gap in project funding. Grant decisions and awards are made in coordination with the HTF Program's funding cycle.
- Housing Rehabilitation Grants are non-competitive grants, which are available throughout the year on a fund available basis.
- Imminent Threat Grants fund jurisdictions facing urgent needs beyond their ability to address with potential impacts on public health and safety. Awards are made on a funds available basis.
- Planning-Only Grants are available throughout the year on a funds available basis to eligible jurisdictions to plan the implementation of priority projects that principally benefit low- and moderate-income persons. Award decisions require the review and approval of CTED's Resource Team.
- Public Service Grants are distributed using a funding formula to eligible counties that in turn rely upon Community Action Agencies as subrecipients for administration and service delivery that benefit low-income individuals.

The following chart and tables shows the distribution of funds among project types from 2002 through 2004 (to date), and the proposed 2005 fund allocation between these CDBG funds.

## CDBG Funding (2002-2004) By Type of Project



Project Type	2002	2003	2004	TOTALS
Economic Development				
Float Loan	\$ 700,000	\$ 1,905,000		\$ 2,605,000
Microenterprise	\$ 150,000		\$ 250,000	\$ 400,000
Other Econ Dev	\$ 700,000		\$ 250,000	\$ 950,000
Rural WA Loan Fund		\$ 1,414,000	\$ 700,000	\$ 2,114,000
Housing				
Housing	\$ 27,850	\$ 750,000		\$ 777,850
Housing Rehab	\$ 2,142,422	\$ 1,607,563	\$ 2,517,210	\$ 6,267,195
Public Facilities				
Other Public Facility	\$ 70,000	\$ 742,340	\$ 623,878	\$ 1,436,218
Sewer	\$ 1,980,000	\$ 6,999,376	\$ 3,516,165	\$ 12,495,541
Streets			\$ 732,200	\$ 732,200
Water	\$ 6,651,324	\$ 4,101,628	\$ 5,139,150	\$ 15,892,102
Clearance		\$ 225,000		\$ 225,000
Community Facility	\$ 2,100,000	\$ 2,065,025	\$ 2,467,300	\$ 6,632,325
Comprehensive	\$ 750,000	\$ 600,000	\$ 530,787	\$ 1,880,787
Fire Protection		\$ 300,000	\$ 905,413	\$ 1,205,413
Imminent Threat	\$ 522,962			\$ 522,962
Planning	\$ 711,523	\$ 370,500	\$ 532,000	\$ 1,614,023
Public Service	\$ 1,775,000	\$ 1,775,000	\$ 1,845,850	\$ 5,395,850
<b>TOTAL</b>	<b>\$ 18,281,082</b>	<b>\$ 22,855,432</b>	<b>\$ 20,009,953</b>	<b>\$ 61,146,467</b>

**SUMMARY OF FUNDS ALLOCATION PER CDBG PROGRAM**  
**2003 – 2005 (proposed)**

<b>CDBG Program</b>	<b>2003 Funds Allocated in Action Plan (not including Contingency)</b>	<b>2003 Funds Obligated (including Contingency)</b>	<b>2003 Number of Projects</b>	<b>2004 Funds Allocated in Action Plan (not including Contingency)</b>	<b>2004 Funds Obligated To-Date (including Contingency)</b>	<b>2004 Number of Projects (Anticipated)</b>	<b>2005 Funds Allocated in Action Plan (Proposed)</b>	<b>2005 Number of Projects (Anticipated)</b>
<b>Community Investment Fund</b>	\$4,845,000	\$7,550,000	10	\$4,500,000	\$5,919,200	12	\$5,169,030	7
<b>General Purpose Grant</b>	\$7,168,225	\$7,168,225	15	\$8,000,000	\$9,508,115	18	\$7,500,000	15
<b>Housing Enhancement Grant</b>	\$1,000,000	\$742,340	2	\$1,185,000	\$236,578	4	\$1,000,000	5
<b>Housing Rehabilitation Grant</b>	(Hsg Rehab activities funded by GP Grant)	N/A	N/A	\$1,000,000	\$2,517,210	6	\$1,500,000	4
<b>Imminent Threat Grant</b>	\$400,000	0	0	\$400,000	0	0	\$300,000	2
<b>Planning-Only Grant</b>	\$400,000	\$370,500	18	\$500,000	\$724,000	26	\$600,000	22
<b>Public Service Grant</b>	\$1,775,000	\$1,775,000	15	\$1,775,000	\$1,845,850	15	\$1,775,000	12
<b>TOTAL</b>	\$15,588,225	\$17,606,065	60	\$17,360,00	\$20,750,953	81	\$17,844,030	67

CDBG had an unusual amount of contingency funds available to supplement the 2003 and 2004 annual allocations from HUD. These Contingency funds were obligated, so it is anticipated the level of Contingency funds available for 2005 will be minimal.